

**GOVERNMENT OF ANDHRA PRADESH**  
**ABSTRACT**

Industries & Commerce Department - Andhra Pradesh Khadi and Village Industries Board - Sanction of State Rebate Marketing Development Assistance to Khadi Sector in Andhra Pradesh State for the Financial Year 2013-14 – Orders – Issued.

INDUSTRIES & COMMERCE (MSME) DEPARTMENT

G.O.Rt.No. 85.

Dated: 26.02.2014.

Read the following:-

1. From the CEO, APKVIB, Hyderabad, Lr.No.Khadi/KVIB/MDA/Incentives/2013-14/13, dt:27.2.2013, 24.4.2013 & 7.6.2013.
2. G.O.Rt.No.477, Finance (Expr. I&C) Dept., dt:20.2.2014.

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ORDER:

In the reference 1<sup>st</sup> read above, the Chief Executive Officer, Andhra Pradesh Khadi and Village Industries Board, Hyderabad, has stated that the Government of Andhra Pradesh has extended the facility of Special Rebate on retail sales of Cotton Khadi, Silk Khadi and Woolen Khadi upto the year 1993-94 but discontinued thereafter. Due to stoppage of this Special Rebate several khadi institutions in the State have become sick/dormant. The representatives of Khadi Institutions have requested to extend @20% state Government Special Rebate/ Marketing Development Assistance (MDA) as provided by the neighboring States of Kerala, Tamilnadu on par with the Marketing Development Assistance being given by the Khadi & Village Industries Commission. The Scheme of Marketing Development Assistance on production by the Khadi & Village Industries Commission aims at uniform distribution of sales throughout the year. As per the said scheme, Marketing Development Assistance to the extent of 20% is allowed on cost of production of Khadi and Polyvastra and the Khadi Institutions shall utilize the same as follows:

1. 25% of above MDA amount for payment of incentive or bonus to spinners and weavers.
2. 30% of total MDA amount for repair/purchase of Implements/ training/ capacity building.
3. 45% of MDA for renovation/ modification of sales outlets training of salespersons, computerizations, development of designs, publicity and discounts.

2) The Chief Executive Officer, Andhra Pradesh Khadi and Village Industries Board, Hyderabad, has submitted that Khadi Cloth is a hand spun and hand woven fabric. A large number of Spinners and Weavers are involved in the process of manufacturing khadi cloth. Hence, the cost of production of khadi cloth is higher than other fabrics. The rebate/incentive allowed on sale of Handlooms cloth is not applicable to 'Khadi Cloth'. Government of India through Khadi & Village Industries Commission have been giving 20% Marketing Development Assistance throughout the year on production of Khadi and Polyvastra cloth to the certified Khadi Institutions. The said Marketing Development Assistance will be apportioned among artisans, producing institutions and khadi institutions. The financial burden to the State Exchequer per annum is estimated at Rs.6.50 crores for the proposal submitted to Government for the sanction of state rebate (Marketing Development Assistance) to khadi sector in our State @20%. He has therefore requested the Government to extend the facility i.e. State Government Marketing Development Assistance @20% equivalent to Marketing Development Assistance by the Khadi & Village Industries Commission by providing a budget of Rs.6.50 crores per annum for the year 2013-14.

(p.t.o)

- 3) In the light of the Budget Released Order issued by Finance (Expr.I&C) Department, vide reference 2<sup>nd</sup> read above, and after careful examination of the proposal of Chief Executive Officer, Andhra Pradesh Khadi and Village Industries Board, Hyderabad, Government hereby sanction an amount of Rs.50,00,000 /- (Rupees Fifty Lakhs only) towards implementation of marketing development assistance to khadi sector in Andhra Pradesh State in relaxation of treasury control orders pending provision by obtaining supplementary grant at an appropriate during the current financial year.
- 4) The amount sanctioned in para-2 above shall be debited to the Head of Account "2851-105-11-04-310-312" as mentioned in Budget Released Order in the reference 2<sup>nd</sup> read above.
- 5) The Commissioner of Industries, Andhra Pradesh, Hyderabad, is authorized to draw the amount sanctioned above and adjust to the P.D. Account No. G.A. 6 (Old No.124) of Andhra Pradesh Khadi and Village Industries Board, Hyderabad. The Chief Executive Officer, Andhra Pradesh Khadi and Village Industries Board, Hyderabad shall draw, as and when necessity arises for the purpose for which the amount is sanctioned.
- 6) The Chief Executive Officer, Andhra Pradesh Khadi & Village Industries Board, Hyderabad, shall take necessary action in the matter.
- 7) This orders issues with the concurrence of Finance (Expr.I&C) Department, vide their U.O.No.101/29/Expr.I&C/2014, dt:21.2.2014

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**J.S.V. PRASAD**  
**PRINCIPAL SECRETARY TO GOVERNMENT (FP&T)**

To

The Chief Executive Officer,

Andhra Pradesh Khadi and Village Industries Board, Hyderabad.

The Commissioner of Industries, Andhra Pradesh, Hyderabad.

The Pay and Accounts Officer, Hyderabad.

The Director of Treasuries and Accounts, Andhra Pradesh, Hyderabad.

The Accountant General (A&E), Andhra Pradesh, Hyderabad.

The Principal Accountant General (Audit-I), Andhra Pradesh, Hyderabad.

Copy to:-

The Finance (Budget Computers) Department.

The Finance (Expr.I&C) Department.

The O.S.D. to Hon'ble Minister (H&T, SM, SSI, KVIB)

The P.S. to Principal Secretary to Government (FP),

Industries & Commerce Department

SF/SC.

**//FORWARDED :: BY ORDER//**

**SECTION OFFICER.**